

K2 Wind – Moving forward

COMMUNITY UPDATE – SUMMER 2013

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More Project information is available at www.K2Wind.ca

Project Update

Welcome to K2 Wind Power Project's (the Project) summer community newsletter.

The past several months were busy and productive for the three partners of the proposed 270 megawatt (MW) wind Project – Capital Power, Samsung Renewable Energy and Pattern Energy.

In November 2012, K2 Wind submitted a Renewable Energy Approval (REA) application for the Project to the Ministry of the Environment (MOE). On February 15, 2013 the MOE deemed the application complete and advised K2 Wind that the technical review of the REA submission would commence. We anticipate receiving a decision from the MOE this summer.

As part of the regulatory review process, the MOE hosted a public comment period from February 15 to April 1. The comment period allowed community members another opportunity to provide input about the Project directly to the MOE. We value the community's feedback on the Project and appreciate the additional comments submitted to the MOE.

Pending the Project's REA approval, we anticipate construction on the substation

property to begin in late summer of this year. Preliminary construction of access roads and turbine foundations would commence in late 2013, with turbine construction to begin in the second quarter of 2014. The Project is expected to be in commercial operation in the first half of 2015.

We are also pleased to announce that the Township of Ashfield-Colborne-Wawanosh (ACW) recently executed two agreements with K2 Wind. The Community Benefits Fund Agreement (CBFA) and the Road Use Agreement both mark a major milestone for the Project. The CBFA will deliver approximately \$15 million in funding to ACW for community initiatives over the next 20 years. The RUA outlines how K2 Wind will use Township roads during construction. To learn more about the CBFA, please see page 2 inside.

We look forward to continuing to move the K2 Wind Project forward with the involvement of the ACW community. As always, contact us if you have any questions or comments regarding the Project. Thank-you to the Goderich Signal Star and the Lucknow Sentinel for helping distribute this newsletter.

Wind Facts

Wind energy is broadly understood to be one of the safest and most environmentally-friendly forms of electricity generation in the more than 90 countries around the world that are using wind power today. With more than 240,000 MW of installed wind energy capacity and 100,000 wind turbines operating around the world, people have been living near wind turbines for decades in Europe and North America. Almost all the scientific evidence and human experience to date clearly concludes that **wind turbines are not harmful to human health** – in fact, wind energy reduces harmful air emissions and creates no harmful waste products when compared with other sources of electricity. This conclusion **has been reached by numerous independent reviews** of the scientific literature.

To learn more visit: <http://windfacts.ca/your-health>



Historic agreement between ACW Township and K2 Wind delivers new funding for community sustainability initiatives

On March 19, ACW Township executed a Community Benefits Fund Agreement (CBFA) and a Road Use Agreement (RUA) with K2 Wind.

“The CBFA builds upon our goal of sharing benefits from the Project with the broader community,” said Paul Wendelgass, K2 Wind Project Lead. “Through the CBFA, we will deliver to the Township stable, long-term funding, which will provide ACW with opportunities to undertake a range of community sustainability initiatives.”

As outlined in the CBFA, K2 Wind will provide an annual payment of approximately \$700,000 to ACW, in addition to the yearly municipal property taxes the Project will pay. Overall, the Project is expected to inject between \$5 and \$6 million in direct spending into the local economy each year of its operation.

Funds from the CBFA can be directed towards community based initiatives such as community and protective services; education and job training programs; public recreation facilities; land steward initiatives; energy sustainability projects; and property tax relief for residents. The Township will have broad discretion in the use of these funds.

The RUA outlines how K2 Wind will utilize Township roads during construction. In the RUA, K2 Wind agreed to bury the majority of the Project’s collector lines in the municipal road allowance, where possible. Less than 1% of the Project’s collector lines are planned to be above ground. The RUA also clarifies that K2 Wind will restore roads to their original condition after construction. A tree replacement program will also be developed and implemented.

K2 Wind has also entered into a RUA with the County of Huron for use of County roads during construction (Lucknow Line and Belgrave Road). The Huron RUA has similar provisions to the ACW RUA.

“We are very excited about the progress made to date on the Project and believe that ACW is one of Ontario’s best places to harvest renewable energy from the wind” said Paul Wendelgass, Project Lead. “K2 Wind is proud to be working with ACW to generate additional opportunities and benefits for the broader community.”

Turbine Fire Incident Kingsbridge 1 Wind Operation

During the early morning of Tuesday, April 2 a fire occurred at a single turbine of Capital Power’s Kingsbridge 1 Wind Operation. There were no injuries, no damages to public property, and the fire was contained to a single turbine. The Goderich Fire Department responded to the incident, and Capital Power worked closely with them in assessing and managing any potential risks. The incident was handled according to the approved emergency response plan.

Wind turbine fires are rare. Siemens reports that it has never had a nacelle fire in the turbine model (SWT 2.3) that will be used for the K2 Wind Power Project. There are 5,500 of these turbines in operation around the world. This turbine includes both a fire detection system, as well as a lightning detection system. Additionally, the turbines are equipped with a continuous monitoring system that observes and controls the turbine generator systems 24/7, 365 days a year.

The nacelle of a modern wind turbine typically contains lubricants and coolants for the turbine machinery. These are essentially the same kinds of liquids that would be used in a farm combine.

Renewable Energy Approval Update

(REA)

In November 2012, K2 Wind submitted its REA application to the Ministry of the Environment (MOE) for review. An REA approval is required for the Project to move forward with development. The application consisted of a wide range of environmental, cultural and technical studies conducted by K2 Wind and its consultants over the past couple of years. The application also detailed

how K2 Wind proposes to construct, operate and decommission the Project and provides an in-depth look at our consultation activities with the community. The MOE is currently completing its technical review of the application and we anticipate receiving a decision this summer. Final versions of the REA reports are available at www.K2Wind.ca.



In October 2012, K2 Wind hosted its final public open house for the Project at the former St. Joseph’s School in Kingsbridge. The open house provided the opportunity for us to share a Project update and the results of the draft REA reports, and receive additional community feedback. Approximately 70 attendees joined us at the event. View the open house information display boards at www.K2Wind.ca.



K2 Wind donates \$25,000 to Brookside School's new playground

K2 Wind is proud to support Brookside Public School's "Bulldogs Build a Playground" initiative, by contributing \$25,000. The funds contributed have allowed Brookside School to reach their goal of building a new playground for community and student enjoyment.

"We want Brookside's playground to be a safe and fun meeting place for students and the broader community – K2 Wind's donation has allowed us to realize that vision," said Brookside School principal, Julie Holmes. "As the largest public playground space in the area we wanted to make this a special place by making it accessible to everyone, so we included a wheelchair accessible structure too. The environmental focus we took in developing gardens and planting trees will make the playground a comfortable leisure place too. Thanks to K2 Wind for their support."

K2 Wind team members visited Brookside School on May 8 to observe the new playground and announce the winners of the *Live Green, Think Green, Play Green* original artwork contest. K2 Wind asked students to create drawings showing how they and their families live a healthy and sustainable lifestyle. Brookside's Green Team reviewed all the drawings and participating students' names went into a draw to win one of three Samsung Galaxy Tablets.

K2 Wind is only one of the many local organizations to provide funding to the new playground. Some of the other local organizations include the Lucknow and Dungannon Lions Clubs, Lucknow Kinsmen & Kinettes, Maitland Valley Conservation Authority, Hydro One, Farm Credit Canada, Toyota and Metro.



On April 18, Capital Power representatives, **Dan Hayden** and **Sara Beasley** delivered 75 white spruce trees to Brookside School for its annual tree planting initiative in support of Earth Day. The representatives spent the morning planting trees with grade 6 students from Brookside's Green Team, and provided all students with white pine and white spruce seedlings to plant at home.

K2 Wind in the Community

Over the summer, K2 Wind is supporting a number of events and organizations in the local community, including:

- Lucknow & District Kinsmen's Music in the Fields
- St. Anne's Secondary School Graduation Breakfast
- Lucknow Community Splash Pad
- YMCA Strong Kids Program

We wish you all success with your initiatives and thank all the event planners for organizing these wonderful community initiatives!



K2 Wind files Leave to Construct Application

In late 2012, K2 Wind filed an application with the Ontario Energy Board (OEB) to construct approximately 5.1 km of underground transmission line, which is a separate application process from the Renewable Energy Approval (REA) process. Notices for the Leave to Construct (LTC) application were published in local newspapers in early 2013.

The OEB requires the Project to apply for leave to construct transmission lines that are more than 2 kilometres in length. The underground transmission line that K2 Wind is proposing would connect the Project's substation, located at the northwest corner of Glens Hill Road and Tower Line to the transformer station, located at the southwest corner of Belgrave Road and Lanesville Line.

The OEB's proceeding includes a process for public input, and a group of ACW residents was granted intervenor status, along with the Independent Electricity System Operator. We are currently proceeding with the application through a written hearing

and anticipate this will be ongoing until late spring of this year. Further information regarding the LTC process is available on our website at www.K2Wind.ca or the OEB's website at www.ontarioenergyboard.ca.

The decision to locate collector lines underground, wherever possible, was made in response to direct feedback from the community. We heard from several community residents and ACW Township Council, who requested K2 Wind make efforts to bury its collector lines to minimize the visual impact of equipment and infrastructure associated with the Project. K2 Wind listened to this request and as a result, collector lines for the Project will be buried, where possible.

Employment and Contracting Opportunities

K2 Wind is currently in the process of selecting an experienced wind constructor to build the roads, turbine foundations, electrical system, and install the wind turbines for the Project. We expect the process of selecting a constructor to be completed this summer. Any local

contractors or businesses, who are interested in providing services for the Project, please e-mail us at K2Wind@capitalpower.com with your relevant company information and contact details.

K2 Economic Benefits – Employment and Construction

The direct economic benefits to the community from K2 Wind are estimated to be \$5 to \$6 million annually over the 20 year life of the Project. Specific economic benefits relating to employment and local services include:

- Over 600,000 person hours of direct employment and thousands of hours of indirect employment will be created during the 18-month construction period. We estimate that the construction payroll will be \$25-30 million;
- We anticipate 18 to 24 permanent full-time local employees during operations, generating about \$1.5-million of employment income each year. Annually we will require \$150,000 to \$200,000 of additional services and materials from the local market;
- Locally sourced materials will include concrete for turbine foundations, gravel for access roads, as well as many materials and tools bought by contractors. The Project Team will be holding information sessions for contractors and businesses later this year to provide information on how local businesses and residents can become involved.

The Project website – K2Wind.ca

The K2 Wind website features updates and information about the Project. See it online at www.K2Wind.ca.

In addition to detailed background on the Project, the website offers visitors the opportunity to ask specific questions that will be answered by members of the Project Team.

You'll also be able to stay informed about important upcoming events and key dates in the ongoing approvals process.

Contact Us

Join our contact list if you would like to stay informed about the Project or if your address has changed.

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